



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-4500

OFFICE OF THE INSPECTOR GENERAL

December 2, 1999

Honorable John Kasich
Chairman
House Budget Committee
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Kasich:

As you requested, enclosed is our assessment of the Department of Housing and Urban Development's top management problems. Most of these problems are discussed in greater detail in our most recent Semiannual Report to Congress, which will be issued in the next few days. Our current problems list is similar to that reported last year. While HUD's 2020 Management Reforms were intended to address and possibly correct many of the problems, nearly 2 ½ years after announcing the reforms, HUD is still in a major state of transition. Moreover, there remains uncertainty as to whether or not business operational changes taking place under the reform effort will prove successful in improving the efficiency and effectiveness of HUD programs.

Additionally, you requested a listing of programs not achieving their intended results. In general terms, since the early development of HUD reforms, the OIG has been very vocal in the need for HUD to reduce the number of programs and focus on its core mission. Our recommendations to reduce programs, especially in light of the dwindling HUD staff, have been largely ignored. New HUD programs are added each year with little or no consideration of staffing implications. In more specific terms, our recent report on Community Builders recommended the elimination of that function. The Community Builder staff, which comprise nearly 10% of the HUD workforce, spend the majority of their time on public relations activities rather than program development and implementation. HUD can ill-afford this function while HUD programs suffer from a lack of oversight.

Should your staff have any questions, please contact Kathryn Kuhl-Inclan, Assistant Inspector General for Audit, on 708-0365.

Sincerely,

Susan Gaffney
Inspector General

Enclosures